

REDACTED – FOR PUBLIC INSPECTION

VIA ECFS

June 21, 2016

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

RE: **REQUEST FOR CONFIDENTIAL TREATMENT**
WC Docket No. 14-58 - ETC Annual Reports and Certifications

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan Progress Report included in FCC Form 481

Confidential Information – Subject to Protective Order Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Chickasaw Telephone Company (“Chickasaw” or “the Company”), Study Area Code 431980, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket No. 14-58. *The version of the Company’s FCC Form 481 submitted via ECFS is a redacted version of the filing that contains no confidential information.*

The Company, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan progress report and (2) the financial annual report, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan progress report is being made pursuant to Section 0.459 of the Commission’s rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential

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treatment of the financial annual report is being made pursuant to the FCC's March 22, 2016 *Protective Order* in WC Docket Nos. 10-90 and 14-58. These attachments contain competitively sensitive data that Chickasaw maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Company.

Five-Year Service Quality Improvement Plan Progress Report

Pursuant to Section 0.459 of the Commission's rules and Exemption 4 of FOIA, Chickasaw requests that the text and data extracted from its five-year service quality improvement plan progress report be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Company maintains as confidential. Public availability of this information would have a substantial negative impact on the Company.

In accordance with Section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan Progress Report. Specifically, confidential treatment is sought for all information in the five-year plan progress report related to the Company's access line counts, existing broadband capabilities, and current and planned financial investments in its network that will improve service quality, service coverage, and/or service capacity for its customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket No. 14-58 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a progress report on its five-year service quality improvement plan, pursuant to 47 C.F.R. §54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan progress report contains granular information on the Company's access line counts and/or existing broadband capabilities as well as recent and planned capital investments in its network to

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improve service quality, service coverage, and/or service capacity. It also contains a map of the Company's service area detailing progress toward meeting broadband deployment targets at the wire center level. This is closely guarded, privileged information that the Company does not make publicly available.

- (4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless Internet service providers. Most RLECs also face competition from at least one other wireline broadband provider, such as a larger cable company, who will typically seek to "cherry pick" the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite broadband providers.

- (5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan progress report would provide competitors with detailed, granular information regarding the Company's access line count, its existing broadband capabilities, and its recent and planned network investments that improve service quality, coverage, and/or capacity for subscribers. This would give competitors valuable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Company.

- (6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Company has continually treated the extracted information in its five-year plan progress report as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

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- (7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan progress report is not available to the public, and third-party access is limited as described in (6) above.

- (8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Company requests that the extracted information be withheld from public inspection indefinitely. The information in the five-year plan progress report details the Company's most recent network upgrades in relation to its previously submitted service quality improvement plan. It may also contain upcoming planned network improvements during the five-year period ending 2019. This information would provide a very useful baseline for competitors for several years beyond that period.

- (9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

Financial Annual Report

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). Chickasaw seeks confidential treatment of its financial annual report pursuant to the March 22, 2016 *Protective Order* in WC Docket Nos. 10-90 and 14-58.¹ The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

Chickasaw is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

Each page of the five-year service quality improvement plan progress report confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

¹ *Connect America Fund, ETC Annual Reports and Certifications*, WC Docket Nos. 10-90 and 14-58, Protective Order, DA 16-296 (rel. Mar. 22, 2016).

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Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

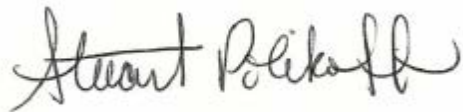
The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as attachments to the FCC Form 481.

In the filing submitted via ECFS, all pages containing confidential information bear the legend "REDACTED – FOR PUBLIC INSPECTION."

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart Polikoff". The signature is fluid and cursive, with the first name "Stuart" and last name "Polikoff" clearly distinguishable.

Stuart Polikoff
Authorized Representative for
Chickasaw Telephone Company

SEP/pjf

Enclosures

cc: Mr. Larry Jones, Chickasaw Telephone Company

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Larry D. Jones
<035>	Contact Telephone Number: Number of the person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	ldjones@chickasawphone.net
Form Type		54.313 and 54.422

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

<110>	Has your company received its ETC certification from the FCC?	(yes / no)	<input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing § 54.202(a) "5 year plan" filed with the FCC?	(yes / no)	<input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

431980ok112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Yes

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

<210> For the prior calendar year, were there any reportable voice service outages? No

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**(300) Unfulfilled Service Request
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

<300> Unfulfilled service request (voice)

0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

0

<330> Detail on attempts (broadband)

Name of Attached Document

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed voice	
<410>	Complaints per 1000 customers for fixed voice	0 . 0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed broadband	
<440>	Complaints per 1000 customers for fixed broadband	0 . 0
<450>	Complaints per 1000 customers for mobile broadband	

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
431980ok510.pdf		
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	

(600) Functionality in Emergency Situations		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	431980ok610.pdf

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

[illegible]

**(800) Operating Companies
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net
<810>	Reporting Carrier	Chickasaw Telephone Company
<811>	Holding Company	Chickasaw Holding Company
<812>	Operating Company	Chickasaw Telephone Company

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

<900> Does the filing entity offer tribal land services? (Y/N) Yes

<910> Tribal Land(s) on which ETC Serves

The Chickasaw Nation

<920> Tribal Government Engagement Obligation

431980ok920.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes

**(1000) Voice and Broadband Service Rate Comparability
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 431980ok1010.pdf

Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance 431980ok1030.pdf

Name of Attached Document

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

431980ok1210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- | | | |
|--------|---|-------------------------------------|
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
| <1222> | Details on the number of minutes provided as part of the plan, | <input checked="" type="checkbox"/> |
| <1223> | Additional charges for toll calls, and rates for each such plan. | <input checked="" type="checkbox"/> |

(2000) Price Cap Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support
- <2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support
- <2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.
- <2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2024A> Round 2 Recipient of Incremental Support?
- <2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2025A> Round 1 or Round 2 Recipient of Incremental Support?
- <2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-
- <2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing
Required Information

Name of Attached Document Listing
Required Information

(2000) Price Cap Carrier Additional Documentation (Continued)**Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

Name of Attached Document Listing
Required Information

cap carrier used for capital expenditures in 2015.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

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<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)		
(3010A)	Milestone Certification {47 CFR § 54.313(f)(1)(i)}	Yes - Attach Certification	
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	431980ok3010.pdf
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input type="radio"/> <input checked="" type="radio"/>
(3015)	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3019)	If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains: Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input checked="" type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.		<input checked="" type="checkbox"/>
(3022)	If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	431980ok3026.pdf

(3005) Rate Of Return Carrier Additional Documentation (Continued)

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

Financial Data Summary

(3027) Revenue

(3028) Operating Expenses

(3029) Net Income

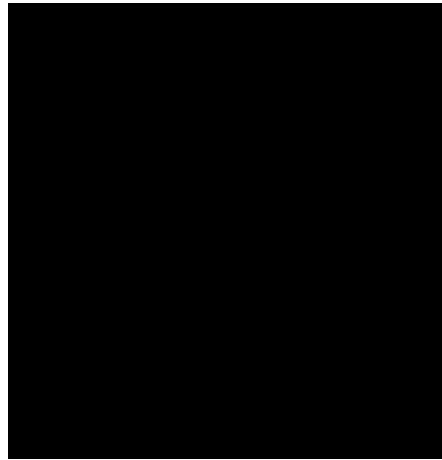
(3030) Telephone Plant In Service(TPIS)

(3031) Total Assets

(3032) Total Debt

(3033) Total Equity

(3034) Dividends



<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission’s public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.	Name of Attached Document Listing Required Information	

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.	Name of Attached Document Listing Required Information	

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.	Name of Attached Document Listing Required Information	

**Certification - Reporting Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	431980
<015> Study Area Name	CHICKASAW TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035> Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Moss Adams LLP</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	<u>Moss Adams LLP</u>
Name of Reporting Carrier:	<u>CHICKASAW TEL CO</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> Date: <u>06/21/2016</u>
Printed name of Authorized Officer:	<u>Larry Jones</u>
Title or position of Authorized Officer:	<u>Vice President</u>
Telephone number of Authorized Officer:	<u>5806225223 ext.</u>
Study Area Code of Reporting Carrier:	<u>431980</u> Filing Due Date for this form: <u>07/01/2016</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	<u>CHICKASAW TEL CO</u>
Name of Authorized Agent Firm:	<u>Moss Adams LLP</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> Date: <u>06/21/2016</u>
Name of Authorized Agent Employee:	<u>Stuart Polikoff</u>
Title or position of Authorized Agent or Employee of Agent	<u>Consulting Senior Manager</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>5126527730 ext.</u>
Study Area Code of Reporting Carrier:	<u>431980</u> Filing Due Date for this form: <u>07/01/2016</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

(700) Price Offerings including Voice Rate Data Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	18.0

<703>

[illegible]

(710) Broadband Price Offerings Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net

[illegible]

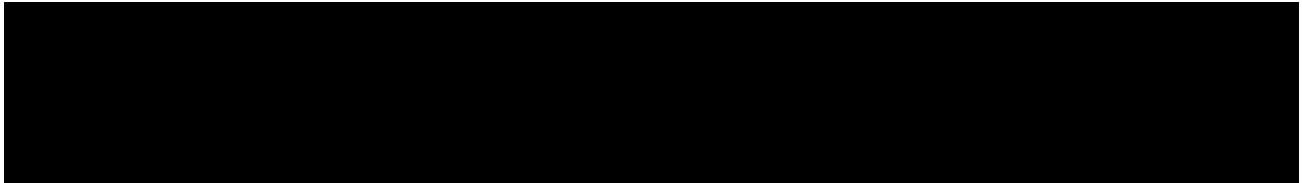
Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

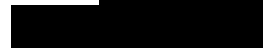
<010>	Study Area Code	431980
<015>	Study Area Name	CHICKASAW TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Larry D. Jones
<035>	Contact Telephone Number - Number of person identified in data line <030>	5806225223 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ldjones@chickasawphone.net
<810>	Reporting Carrier	Chickasaw Telephone Company
<811>	Holding Company	Chickasaw Holding Company
<812>	Operating Company	Chickasaw Telephone Company

[illegible]

**LINE 112 – FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN
PROGRESS REPORT**

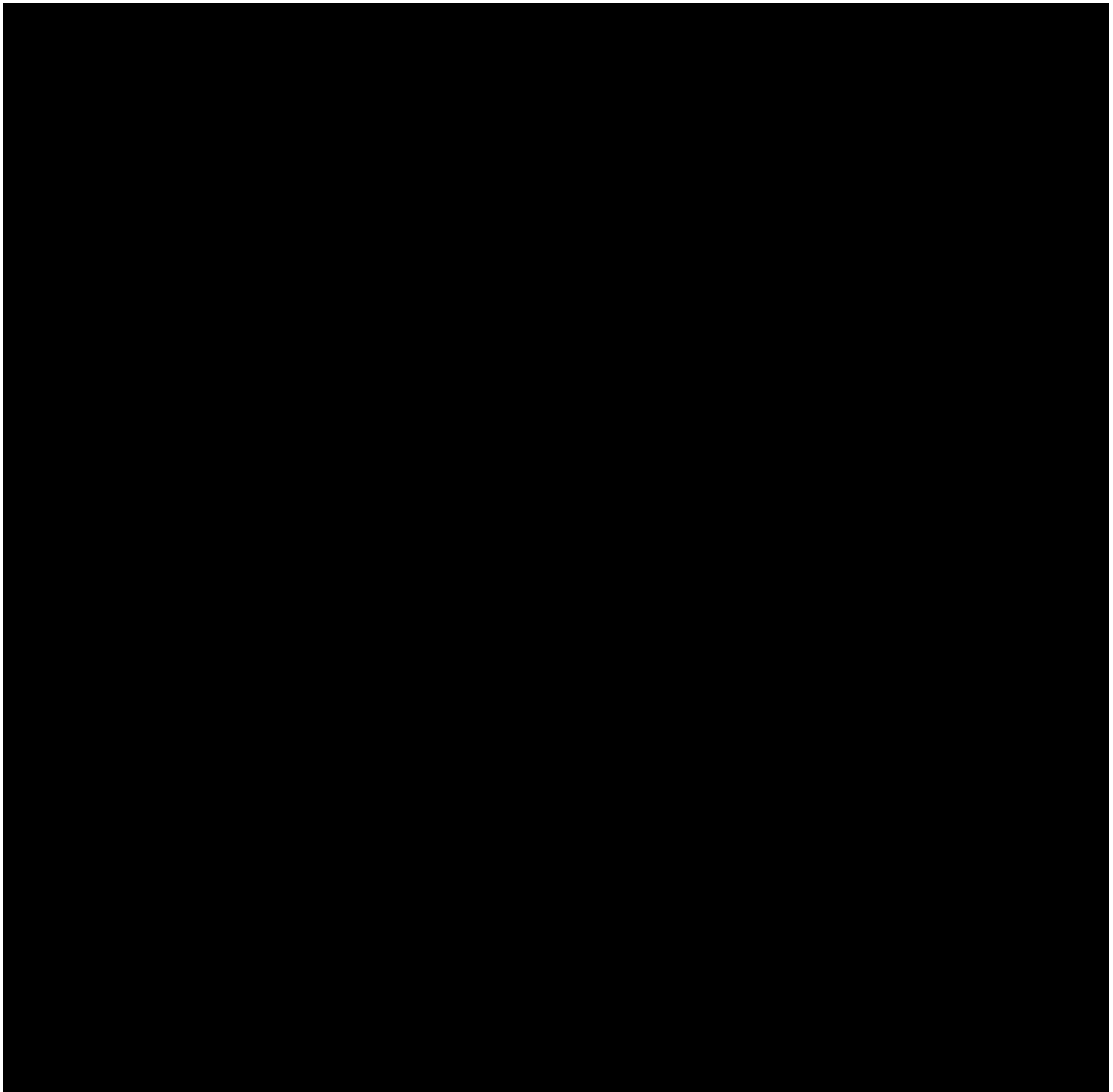


Chickasaw received \$7,298,676 in Universal Service Fund (“USF”) support during calendar year 2015. 



The maps on the following two pages show Chickasaw’s current broadband capabilities with respect to the 10/1 Mbps performance standard for high-cost USF recipients.

Map Showing Current Broadband Capabilities



Map Showing Current Broadband Capabilities



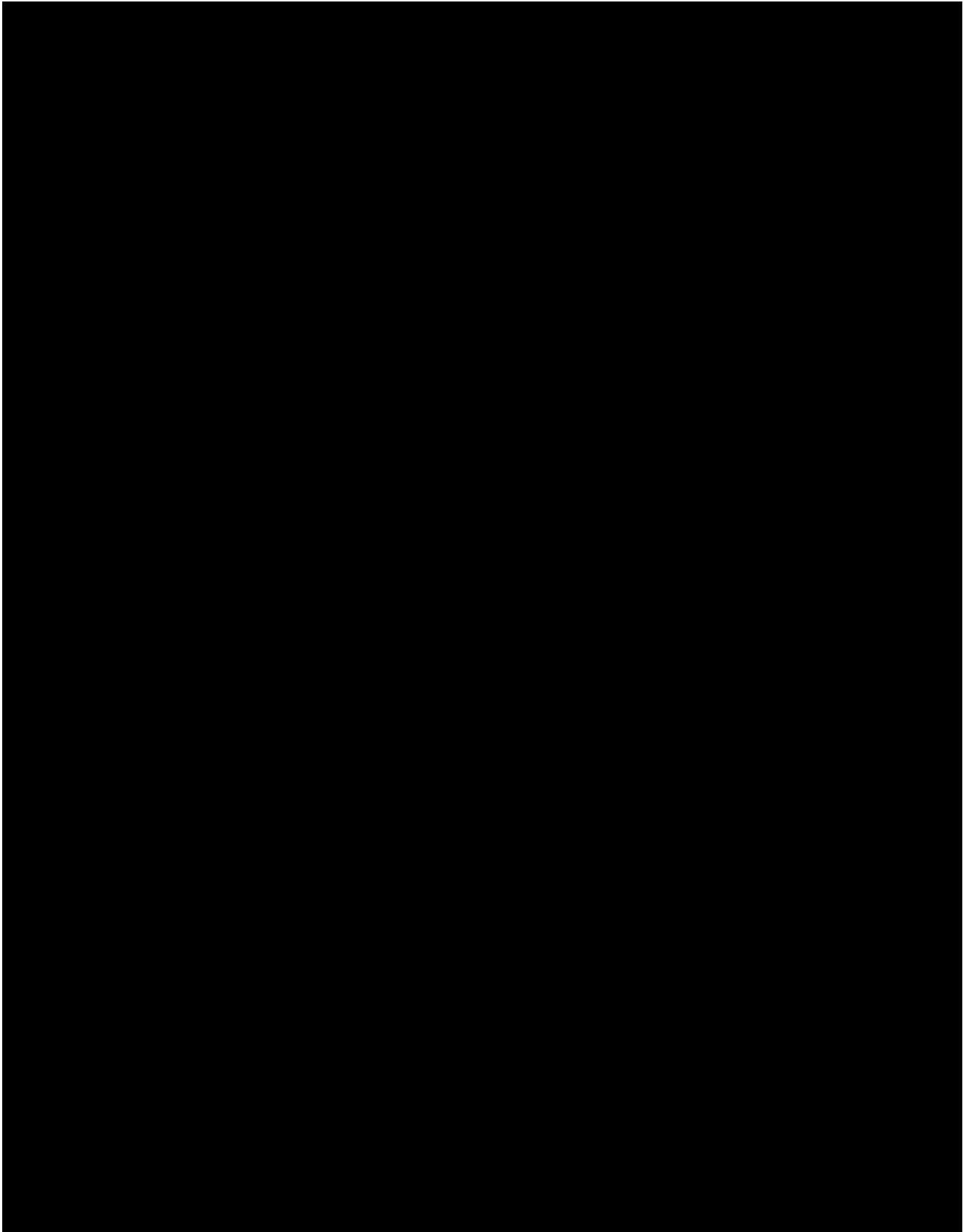
Service Quality Improvement Plan Progress Report

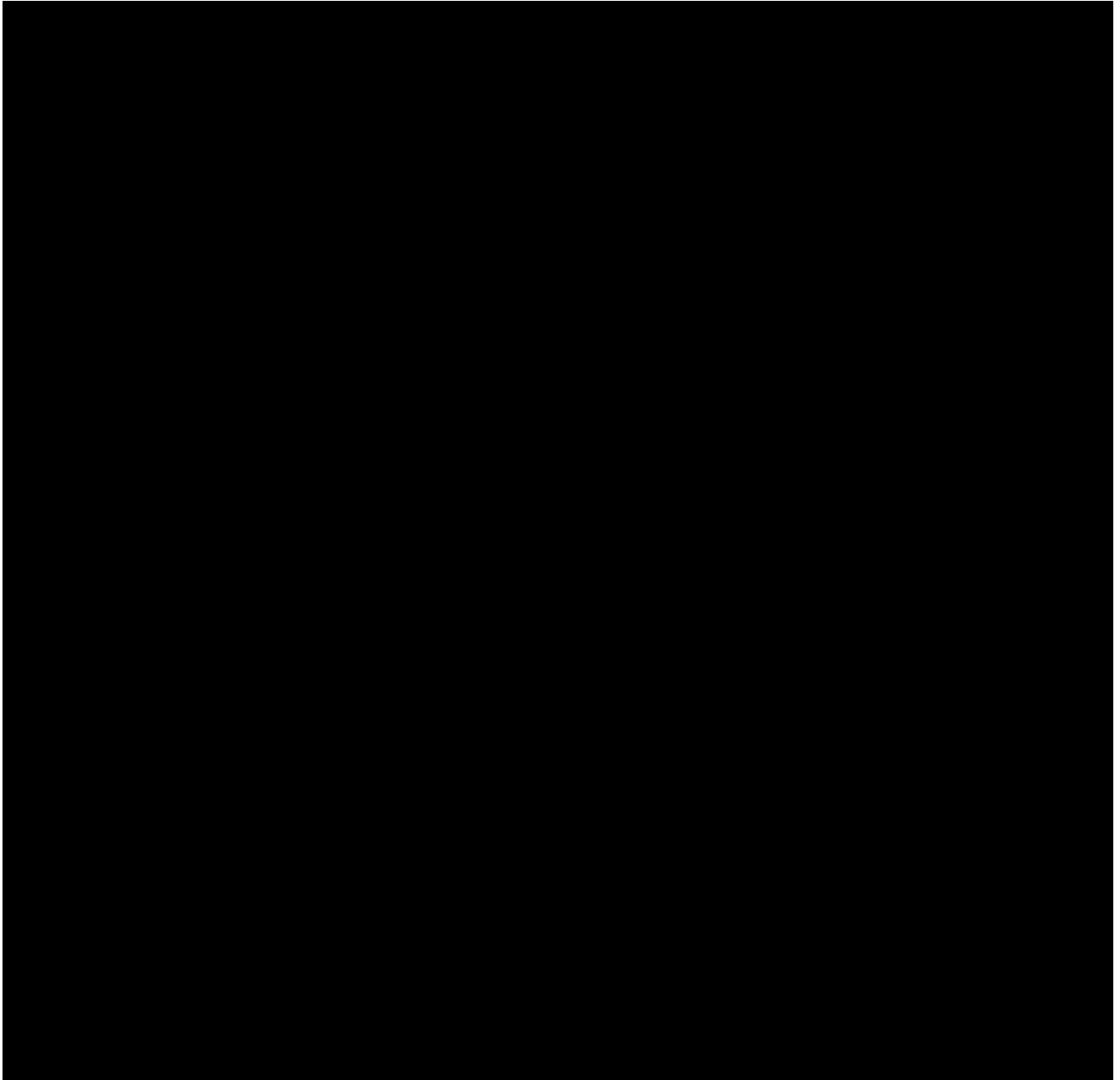
The table below shows Chickasaw's network investments at the exchange level during calendar year 2015, compared with its original 2015 investment plans that were indicated in its five-year service quality improvement plan.

Exchange	Description of Improvement	2015 Original Budget	2015 Expenditures

Year End 2015 Progress Report Description

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LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

Chickasaw Telephone Company (“the Company”) complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The rates, terms, and conditions under which the Company operates are outlined in its local exchange services tariff, which is approved by the Oklahoma Corporation Commission (“OCC”). The tariff contains provisions regarding the Company’s customer service and protection practices.

Service quality standards for voice service are established by the OCC. The Company consistently meets or exceeds those standards and provides reports to the OCC, in accordance with the OCC’s rules.

With regard to broadband service, the Company provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a “best effort” service and are dependent upon a number of variables, many of which are outside the control of the Company. The Company also complies with the FCC’s Open Internet rules, 47 C.F.R. §§8.3-8.11. These rules prohibit blocking, throttling, and paid prioritization, and also require transparency of network management practices, performance, and the commercial terms of broadband services.

The Company complies with any and all consumer protection obligations under state law.

The Company also complies with the following consumer best practices: (1) the Company discloses its rates and terms of service to customers; (2) the Company provides specific disclosures in its advertising; (3) the Company separately identifies carrier charges from taxes on its billing statements; (4) the Company provides ready access to customer service; (5) the Company promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Company abides by policies for protection of consumer privacy.

Finally, the Company has a policy and established operating procedures that comply with the FCC’s Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Company’s compliance with CPNI rules and a description of the Company’s operating procedures that ensure compliance are filed annually with the FCC.

LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

Chickasaw Telephone Company (“the Company”) is able to function in emergency situations for both voice and broadband service. The Company has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, and mobile generators are at strategic locations to be deployed as needed to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The Company is able to reroute traffic around damaged facilities. Although the Company’s ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

LINE 920 – TRIBAL GOVERNMENT ENGAGEMENT OBLIGATION

Chickasaw Telephone Company (“the Company”) provides communications services to tribal members of the Chickasaw Nation (“the Nation”), as well as services to the Nation itself. Working with affiliate companies, the Company currently serves the Nation with a MultiProtocol Label Switching (MPLS) network that ties together their designated campuses. The Company works very closely with the Nation with a common goal of economic stability and growth through technology.

The Company engages in regular monthly meetings with representatives of the Nation. The purpose of these monthly meetings is to confirm that the Company is meeting all of the Nation’s expectations and to plan and prepare for any future service requirements. Among other things, these meetings have included discussions on the following topics:

- Needs assessment and deployment planning with a focus on the Nation’s community anchor institutions.
- Feasibility and sustainability planning.
- Marketing services in a culturally sensitive manner and recognition of the diversity of customers.
- Compliance with rights of way processes.
- Compliance with land use permitting requirements.
- Compliance with facilities siting rules.
- Compliance with environmental review processes.
- Compliance with cultural preservation review processes.
- Compliance with the Nation’s business and licensing requirements.

The Company is very proud of its relationship with the Nation and works hard to help the Nation prosper and improve the quality of life of its members.

LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's 2015 reasonable comparability benchmark for voice services was \$47.48, which includes the federal subscriber line charge ("SLC").¹

In 2015, in all of the exchanges served by Chickasaw Telephone Company ("the Company"), the single-line residential local rate was \$18. When the federal SLC (\$6.50) is included, the rate was \$24.50. Therefore, the Company's pricing of fixed voice services in 2015 was less than the reasonable comparability benchmark of \$47.48.

¹ *Wireline Competition Bureau Announces Results of 2015 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, Public Notice, WC Docket No. 10-90, DA 15-470 (rel. April 16, 2015).

LINE 1030 – BROADBAND SERVICES RATE COMPARABILITY

In 2015, Chickasaw Telephone Company charged a residential rate of \$51.29 for broadband providing 10 Mbps download, 1 Mbps upload, and an unlimited usage allowance. This rate is lower than \$77.80, which is the 2015 reasonable comparability benchmark for the same offering established by the Wireline Competition Bureau.¹

¹ *Wireline Competition Bureau Announces Results of 2015 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, Public Notice, WC Docket No. 10-90, DA 15-470 (rel. April 16, 2015).

LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

All of the exchanges served by Chickasaw Telephone Company (“the Company”) are Tribal lands. In all of the Company’s exchanges, residential customers who qualify for the Lifeline Program receive a discount of \$23.50 on local voice telephony service (\$9.25 federal discount + additional \$14.25 federal discount).

In all of the Company’s exchanges, the Lifeline single-line residential rate, including the federal SLC, is \$1.00 (\$24.50 standard rate - \$23.50 discount).

All single-line residential customers, including Lifeline customers, have an unlimited number of minutes for calls made within their local calling area.

Toll charges for calls outside of the local calling area are determined by the long distance carrier of the customer’s choosing. Lifeline customers may elect to subscribe to toll blocking at no charge.

The Company offers bundled services to Lifeline customers that are discounted by \$23.50 for the voice component of the bundle.

Lifeline Program reductions do not apply to additional services such as information-related services and custom calling features. Lifeline customers may subscribe to these services at the same rates offered to other customers.

Additional information regarding the terms and conditions of voice telephony Lifeline plans can be found at <http://www.chickasawphone.com/lifeline.html>.

LINE 3010 – MILESTONE CERTIFICATION

Chickasaw Telephone Company (“the Company”) hereby certifies that the Company has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, at rates that are reasonably comparable to rates for comparable offerings in urban areas, and that requests for such service are met within a reasonable amount of time. If the Company determines that a request for broadband at actual speeds of at least 10 Mbps downstream/1 Mbps upstream is unreasonable, and offering broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream is reasonable, the Company offers broadband service of at least 4 Mbps downstream/1 Mbps upstream.



Financial Statements
December 31, 2015 and 2014

Chickasaw Telephone Company

Chickasaw Telephone Company
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December 31, 2015 and 2014

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Independent Auditor's Report

The Stockholders and Board of Directors
Chickasaw Telephone Company

Report on the Financial Statements

We have audited the accompanying financial statements of Chickasaw Telephone Company, which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of operations, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chickasaw Telephone Company as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Tulsa, Oklahoma
June 14, 2016

Chickasaw Telephone Company

Balance Sheets

December 31, 2015 and 2014

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents		
Accounts Receivable		
Due from customers, no allowance for doubtful accounts		
Accounts receivable - other, less allowance for doubtful accounts of [REDACTED] in 2015 and 2014		
Accounts receivable - affiliates		
Inventory		
Deferred income tax assets		
Prepaid expenses		
Total Current Assets		
Fixed Assets, at cost		
Accumulated depreciation		
Net Fixed Assets		
Other Assets		

Chickasaw Telephone Company

Balance Sheets

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Liabilities and Stockholder's Equity		
Current Liabilities		
Accounts payable and accrued liabilities		
Accounts payable - affiliates		
Current maturities of long-term debt		
Other current liabilities		
Total Current Liabilities		
Other Liabilities:		
Deferred income tax liabilities		
Total Liabilities		
Stockholder's Equity		
Common stock		
Additional paid-in capital		
Retained earnings		
Total Stockholder's Equity		

Chickasaw Telephone Company

Statements of Operations

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating Revenue		
Local service		
Access and long-distance service		
Miscellaneous		
Total Operating Revenue		
Operating Expenses		
Plant specific		
Plant nonspecific		
Depreciation and amortization		
Network and other		
Customer operations		
Corporate operations		
Operating taxes		
Total Operating Expenses		
Net Operating Loss		
Interest and Dividend Income		
Gain on Insurance Benefits Received		
Other Non Operating Income		
Interest Expense		
Net Loss Before Income Taxes		
Income Tax Benefit		
Net Loss		

Chickasaw Telephone Company
Statements of Stockholders' Equity
Years ended December 31, 2015 and 2014

	Common Stock		Additional	Retained	Total
	Shares	Amount	Paid-In	Earnings	Stockholder's
			Capital		Equity
Balance, December 31, 2013					
Net loss					
Balance, December 31, 2014					
Net loss					
Balance, December 31, 2015					

Chickasaw Telephone Company

Statements of Cash Flows

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Net loss		
Adjustments to reconcile net loss to net cash		
from operating activities		
Depreciation and amortization		
Gain on disposal of assets		
Deferred income taxes		
Changes in assets and liabilities		
Accounts receivable		
Inventory		
Other assets		
Accounts payable and accrued liabilities		
Other liabilities		
Net Cash from Operating Activities		
Cash Flows from Investing Activities		
Proceeds from disposal of assets		
Additions to fixed assets		
Net Cash Used for Investing Activities		
Cash Flows Used in Financing Activities		
Principal payments on long-term debt		
Increase (Decrease) in Cash and Cash Equivalents		
Cash and Cash Equivalents, beginning of year		
Cash and Cash Equivalents, end of year		
Other Disclosures		
Interest paid		

Chickasaw Telephone Company
Notes to Financial Statements
December 31, 2015 and 2014

Note 1 - Principal Business Activity and Summary of Significant Accounting Policies

Description of Business

Chickasaw Telephone Company (the "Company") operates a general telephone business, with exchanges in South Central Oklahoma. The Company is a wholly owned subsidiary of Chickasaw Holding Company ("CHC").

General

The Company maintains its accounts in accordance with the Uniform System of Accounts prescribed for telephone companies by the Federal Communications Commission ("FCC") and adopted by the Oklahoma Corporation Commission. Generally accepted accounting principles are consistent in all material respects with the accounting prescribed by the FCC. The financial statements reflect the application of the accounting policies described in this note and have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to rate regulated utilities.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all cash in operating accounts to be cash or cash equivalents.

Bank accounts held in financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 for each financial institution. At December 31, 2015, the Company had cash balances in excess of the FDIC insured limit of approximately [REDACTED]

Accounts Receivable-Due From Customers

Accounts receivable due from customers are uncollateralized (however, certain customers are required to have a deposit). Accounts receivable from customers are stated at the amount billed. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected.

Accounts Receivable-Other

Accounts receivable also include amounts due from interexchange long distance carriers for interstate and intrastate charges assessed for using the Company's facilities for their long distance communications, as well as from the National Exchange Carriers Association ("NECA") for outstanding interstate settlements and from Oklahoma High Cost Fund for intrastate settlements to local exchange carriers in high cost areas based on cost separation principles. These amounts are also stated net of write-offs and allowances for doubtful accounts.

Inventory

Inventory consists primarily of telecommunications equipment and supplies for Company use in the construction of telephone plant. The lower of average cost or market is used to value inventory.

Chickasaw Telephone Company
Notes to Financial Statements
December 31, 2015 and 2014

Fixed Assets

Fixed assets are carried at historical cost. When units of property are retired, sold, or otherwise disposed of in the ordinary course of business, their average book cost less net salvage is charged to accumulated depreciation. Depreciation is computed by applying composite rates to the monthly balance for all classes of utility plant. Expenditures for repairs and maintenance are charged to expense as incurred, whereas major improvements are capitalized. Depreciation expense of fixed assets was approximately [REDACTED] in 2015 and [REDACTED] in 2014.

Repairs and maintenance are charged to expense as incurred, whereas major improvements are capitalized.

Income Taxes

The Company files consolidated income tax returns with CHC. The Company records income taxes based upon its proportionate share of net income before income taxes.

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes arising from temporary differences between income for financial reporting and income tax purposes. Temporary differences giving rise to deferred tax assets and liabilities consist primarily of the excess of the basis of fixed assets and other investments for financial reporting purposes over the tax basis of those assets, and other nondeductible accruals and reserves.

Accounting for Uncertain Tax Positions

The Company adopted the provisions of ASC Topic 740, *Income Taxes*, relating to unrecognized tax benefits.

This standard addresses the financial statement recognition, measurement and disclosure of uncertain tax positions, and requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. If the tax position meets the more-likely-than-not recognition threshold, the tax effect is recognized at the largest amount of the benefit that is greater than 50% likely of being realized upon ultimate settlement.

Any difference between the tax position taken in the tax return and the tax position recognized in the financial statements using the criteria above results in the recognition of a liability in the financial statements for the unrecognized benefit. Similarly, if a tax position fails to meet the more-likely-than-not recognition threshold, the benefit taken in the tax return will also result in the recognition of a liability in the financial statements for the full amount of the unrecognized benefit.

There were no liabilities recorded for uncertain tax positions as of December 31, 2015 and 2014.

Revenue Recognition

Local service revenue includes customer charges for monthly local telephone service and calling features. Revenues are recorded in the month the service is provided.

Access service revenue includes interstate customer end user charges, interstate and intrastate charges assessed to long distance carriers for using the Company's facilities for their long distance communications, interstate settlements under jurisdictional reporting requirements with the National Exchange Carriers Association, and settlements from the Federal Universal Service Fund. This revenue is recognized as earned.

Chickasaw Telephone Company
Notes to Financial Statements
December 31, 2015 and 2014

Oklahoma has a full access environment for intrastate toll. The Oklahoma High Cost Fund assists the Company and other participants in high cost areas to maintain their rate of return on plant investment. Long distance revenue consists primarily of settlements from the Oklahoma High Cost Fund. Revenues are recorded in the month the service is provided.

Advertising Costs

The Company expenses all advertising costs as incurred, which totaled [REDACTED] and [REDACTED] for the years ended December 31, 2015 and 2014, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Sales Taxes

The Company has customers in Oklahoma and its municipalities in which those governmental units impose a sales tax on certain sales. The Company collects those sales taxes from its customers and remits the entire amount to the various governmental units. The Company's accounting policy is to exclude the tax collected and remitted from revenue and cost of revenue.

Subsequent Events

Subsequent events have been evaluated through June 14, 2016, which is the date the financial statements were available to be issued.

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Note 2 - Fixed Assets

Fixed assets consist of the following at December 31:

	2015	2014
Regulated Fixed Assets:		
Land		
Buildings		
Network facilities		
Vehicles and work equipment		
Furniture, fixtures and equipment		
Total Regulated Fixed Assets		
Nonregulated Fixed Assets:		
Land		
Buildings		
Furniture, fixtures and equipment		
Total Nonregulated Fixed Assets		
Telephone Plant Under Construction		
Total Fixed Assets		

Note 3 - Long-Term Debt

Long-term debt consists of the following at December 31:

Company allocation of CoBank loan
Less current maturities

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The CoBank loan agreement was between CHC and CoBank and was guaranteed by CHC's subsidiaries, including the Company. The note payable balance on the Company's balance sheet includes a portion of the total debt allocated to the Company by its parent CHC.

The agreement between CHC and CoBank provided for maximum borrowings at of [REDACTED] comprised of a [REDACTED] term loan and a [REDACTED] revolving loan.

The term loan's maturity date was June 30, 2016, and was due in quarterly installments of [REDACTED] plus interest until maturity. Borrowings under the CoBank loan agreement are collateralized by all of CHC's interests in and the assets of its subsidiaries. CoBank debt was paid off during 2015.

At CHC's election, borrowings under the CoBank loan agreements bear interest at rates ranging from 0.0% to 1.0% over CoBank's base rate or at rates ranging from .75% to 2% over LIBOR. CHC has elected that the interest be computed based on LIBOR. At December 31, 2014, the interest rate on these loan agreements was [REDACTED] per annum.

Note 4 - Common Stock

The Company has [REDACTED] shares of voting [REDACTED] par value common stock authorized, issued and outstanding as of December 31, 2015 and 2014.

Note 5 - Employee Benefit Plans

CHC has an employee stock ownership plan ("ESOP"). Certain employees of the Company are eligible to participate in the ESOP. CHC made no contributions to the ESOP for the years ended December 31, 2015 and 2014. CHC is obligated to repurchase the shares of terminated/retired participants at the then fair market value of CHC shares.

CHC established a 401(k) Plan (the "Plan") in 2003. All employees of the Company are eligible to participate in the Plan after meeting certain eligibility requirements. CHC matches the employees' contributions up to 8% of the employees' compensation. For 2015 and 2014, CHC made [REDACTED] and [REDACTED], respectively, in matching contributions on behalf of the Company's employees, which were allocated to the Company's operations in 2015 and 2014. Annually, CHC may elect to make a profit sharing contribution. CHC did not make a profit sharing contribution to the Plan for 2015 and 2014.

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Note 6 - Income Taxes

Income tax benefit consists of the following for the years ended December 31:

	<u>2015</u>	<u>2014</u>
Current tax benefit		
Deferred tax (expense) benefit		

The benefit from income taxes for 2014 is higher than the amount computed at the federal statutory rate primarily due to nontaxable gains resulting from the receipt of life insurance proceeds.

The components of deferred income tax assets and liabilities are as follows:

	<u>2015</u>	<u>2014</u>
Deferred tax assets:		
Allowance for doubtful accounts - current		
Other - noncurrent		
Total deferred tax assets		
Deferred tax liabilities:		
Fixed assets - noncurrent		
Net deferred tax liability		

Note 7 - Related Party Transactions

Accounts receivable-affiliates is the net amounts due from CHC and other subsidiaries and represent the net amount due under operating advances. Amounts of these intercompany receivables and payables will ultimately be settled at CHC's level.

Included in accounts payable and accrued liabilities is approximately [REDACTED] and [REDACTED] at December 31, 2015 and 2014, respectively, for goods and services purchased from subsidiaries of CHC.

For the years ended December 31, 2015 and 2014, the Company recorded approximately [REDACTED] and [REDACTED], respectively, in revenues from other CHC subsidiaries for telecommunications services provided to these entities.

For the years ended December 31, 2015 and 2014, the Company incurred approximately [REDACTED] and [REDACTED] respectively, in expenditures to other CHC subsidiaries, for management and other telecommunications services provided by these entities.

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Note 8 - Revenue Settlement Adjustments

The Company records revenue related to its participation in the Oklahoma High Cost Fund and the National Exchange Carriers Association. Adjustments are made periodically, thereby increasing or decreasing the related revenue accounts. In accordance with industry standards, such adjustments are recorded in the period in which the Company is notified of the amounts.

Adjustments relating to prior periods constitute changes in accounting estimates and resulted in a net increase in revenue of [REDACTED] in 2015 and a net decrease in revenue of [REDACTED] in 2014.

Note 9 - Risks and Uncertainties

The Company services various local telephone exchanges in Oklahoma. The Company is subject to rate regulation by the FCC. The telecommunication industry is moving into a competitive environment with new competitors and required restructuring of revenue from access charges and support mechanisms. The subject is controversial and difficult to resolve. Therefore, at this time, the impact of such changes both from Federal and State Commissions cannot be determined.

The Company is also subject to audits from federal and state oversight organizations because of its participation in certain high cost funding mechanisms. At this time the Company does not expect any such audits to have a material effect on its financial statements.

In November 2011, the Federal Communications Commission ("FCC") released the "USF/ICC Transformation Order" (the "Order") and "Further Notice of Proposed Rulemaking" ("FNPRM"), with the stated objective of reforming and modernizing the universal service and intercarrier compensation systems.

To date, numerous petitions for reconsideration of certain aspects of the Order and FNPRM have been filed by certain affected companies and telecommunications industry organizations. In addition, in February 2012, the FCC issued a further order to revise and clarify certain rules of the Order, and to modify certain requirements of the Order. This further order also stated that the above mentioned petitions for reconsideration are pending before the FCC and will be addressed by the FCC.

The final resolution of the above-mentioned petitions for reconsideration and their effect on the ultimate provisions of the Order and FNPRM is unknown at this time. As a result, the effect of the Order and FNPRM on the Company's intercarrier revenues and universal service revenues is not known at this time.

Note 10 - Revenue Concentrations

In 2015 and 2014, the Company was eligible for support from the Federal Universal Service Fund, Oklahoma Universal Service Fund, and Oklahoma High Cost Fund. Approximately [REDACTED], or [REDACTED]% of operating revenues in 2015 and [REDACTED], or [REDACTED]% of operating revenues in 2014 derive from regulatory sources.

Note 11 - Commitments and Contingencies

The Company is subject to legal proceedings and claims arising in the ordinary course of its business. In the opinion of management, the amount of ultimate liability, if any, with respect to these actions will not materially affect the Company's financial position, results of operations, and cash flows.

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Note 12 - Other

During 2014, the majority voting shareholder of CHC died. The Company owned life insurance policies on this shareholder, and received approximately [REDACTED] in life insurance proceeds resulting in a gain of approximately [REDACTED]. This gain is reflected in gain on insurance benefits received in the accompanying 2014 statement of operations.